

5.22.08: John Garamendi: movin' on up?

John Garamendi: movin' on up? Capitol Weekly By Nick Brokaw (published Thursday, May 22, 2008) John Garamendi has been in the Capitol world for more than three decades—as Assembly member, state Senator, insurance commissioner and, currently, as lieutenant governor. With his political smarts and his background—Harvard MBA, college football player, Peace Corps volunteer—Democrat Garamendi remains a force in politics. Capitol Weekly caught up with Garamendi this week in Sacramento.

Clinton or Obama?

I'm supporting my friend, Senator Clinton. Hillary and I go back 20 years. I had the honor of working in the Clinton administration, working directly with her on several issues, healthcare and others. I have incredible respect for her—her intelligence, talent and knowledge and I think she'd be a great President. I'm a Hillary supporter.

Speaking of races, is there a race for governor in your future in 2010?

That's the next election, isn't it? It'd be normal for a lieutenant governor to try to become governor. But we're not going to be making a formal announcement at this time.

How do you see the governor's race shaping up? Seems like quite a field with you, Attorney General Jerry Brown, Superintendent of Public Instruction Jack O'Connell, Mayor Gavin Newsom, Mayor Antonio Villaraigosa and perhaps former Controller Steve Westly.

I think I'm in a very good position. I'm well known across the state and have a lot of support, so when the time comes for a campaign, I know how to campaign statewide. If you take a look at what's going on here with the budget and other issues, [California needs] somebody that knows how to be a leader—how to lead on the critical issues and not duck and let things fester as they have for far too long.

Looks like you're licking your chops to take on Insurance Commissioner Steve Poizner.

Well it's more than that. I spent eight years of my life building the best consumer protection agency in this nation and since then, [Chuck Quackenbush] destroyed what I built. And I came back and rebuilt it. Once again it is the best consumer protection agency in this nation and I am not about to let Mr. Poizner destroy what I built. He can carry it on, he can be a very good Insurance Commissioner if he protects consumers, but I told him, I said "If you step out of line and start playing footsy with these insurance companies, then I'll hit you hard," and I intend to continue to do that.

The state budget deficit is a \$17.3 billion mess. Should new taxes be part of the solution?

I think we need to look at history. Look at what Ronald Reagan did when faced with this problem twice during his eight years. Look at what Pete Wilson did when faced with this problem in the 1990's. These are two very conservative Republican governors and both of them did a balance: they made some cuts, they made some reforms, and they also raised taxes.

Is the governor on the right track with securitizing the state lottery?

No. That's just more borrowing. He came in saying that he was going to tear up the credit cards, but in fact, the credit cards have been maxed out and we're looking for one more way to borrow money.

You've been fighting for California's students, trying to make college more affordable. How's the fight going?

The students have done an incredible job bringing to the attention of policymakers here in the Capitol and around the state the necessity of funding education. What I think is really stupid is that the only tax that has been raised thus far is the tax on students. I could not think of a worse tax than to tax students. That's what the student fee is all about. The tuition and the student fee is a tax on students plain and simple and it's over \$200 million. At the same time, this Legislature, the Republicans there, have refused to increase taxes on very, very wealthy people able to buy airplanes and boats and avoid the sales tax by just parking those boats and airplanes out of state for 30 days. It is ridiculous and it is a very bad policy.

CSU and UC fees are going up 10 percent and 7.4 percent respectively. Is that unavoidable this year in your view?

No, it is avoidable. Why would any society tax its students when it refuses to tax the general wealth of the economy? That's what's happening here. This state is making the decision to tax students, literally to eat its seed corn when there are many opportunities to raise the revenue to fund the education system. It's about \$220 million of taxes on students. It's an easy way, because it's not the legislature or the governor that does it. It's done by two appointed boards, the CSU Trustees and the UC Regents, who are not accountable to the public.

You have also been active in addressing the state's water challenges. How, specifically, should Californians adapt in order to be better prepared for a potential water crisis?

First of all, we need to manage our rivers better using modern technology, satellite radar, satellite imaging, weather forecasting, and on the ground sensing devices so we actually know what is happening in the river system in real time. Right now we manage the water based on the history of the last 75 years, and that history is no good tomorrow because tomorrow is going to be different with climate change. The second thing is that we need to conserve our water. Third, we need to make better use of the underground water bases that exist in California, particularly in Southern California as storage reservoirs, using what is known as conjunctive water management. In the dry years, you pump, and in the wet years, you recharge the water bases. We are going to need more surface storage and we should move to accomplish that. And finally, we are going to have to deal with the Delta. The Pacific Ocean is rising and will continue to rise and it is a serious and imminent threat to the Delta. So we are going to have to find ways of protecting the Delta and transporting the water to the pumps south of the Delta. That's a big challenge and that's what we have to do.

What's the latest on your ongoing battle with Insurance Commissioner Poizner over Prop 103?

Well, it's actually in the hands of the governor at this time. It has to do with some emergency regulations that Poizner wants to issue. First of all, I don't believe there's an emergency—it's a falsehood and the regulations need to be vetted in the public with the public having adequate time to understand that the regulations harm consumers and give the insurance companies an opportunity to overcharge consumers. Proposition 103 has been incredibly successful. I implemented it in 1991, came back and finished the job in 2004, and the result is \$62 billion in savings to auto insurance customers. Homeowners are experiencing billions of dollars of savings, over a billion and a half dollars in rebates, and the insurance companies are behaving themselves. All the while, the insurance companies have been operating in a very competitive market, so there are a lot of options for consumers. The market has been stable compared to other states, and the auto and homeowners markets have been far cheaper. Proposition 103 laid the foundation; I built the building. I put the regulations in place.

Did the California Supreme Court make the right decision in overturning the ban on same-sex marriages, and do you think the ruling will have an impact on the presidential race? And how about the governor's race in 2010?

Yes, the California Supreme Court did the right thing. The voters will take it up in November. Will it have an impact? I don't think so. In this state and in most of the nation now, people are more understanding. This issue has been before the public for two decades, and the public understands that this is really about civil rights, and it's really about how people want to live their own life, without government intrusion. Whether you're a heterosexual or a homosexual, if you want to get married, go ahead and get married and be in a loving relationship. I think Californians have come to understand that.